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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

MAY 5 1992

RM-7913

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Honorable Ralph M. Hall
House of Representatives
2236 Rayburn House Office Building
Washington, D.C. 20515-4304

Federal Communications Commission
Office of the Secretary

Dear Congressman Hall:

Thank you for your letter regarding the petition for rulemaking filed by Communications Satellite Corporation (COMSAT). As you observe, COMSAT seeks a change in the Commission's Rules that would "cap" its current rates for multi-year carrier switched-voice services.

In a March 5, 1992 Public Notice, the Commission requested comment on the COMSAT petition. We have received comments from Sprint Communications Company L.P.; IDB Communications Group, Inc.; MCI Telecommunications Corporation; Pan American Satellite; and American Telephone and Telegraph Company.

The Commission is reviewing the comments and plans to address this matter expeditiously. I believe that the concerns expressed in your letter will assist us in reaching a decision on the request for rulemaking. We all seek a course of action that will result in a reasonable and fair solution for COMSAT which best serves the public interest.

Sincerely,

Alfred C. Sikes
Chairman

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Congressional

CONGRESSIONAL CORRESPONDENCE TRACKING SYSTEM

04/10/92

LETTER REPORT

CONTROL NO.	DATE RECEIVED	DATE OF CORRESP	DATE DUE	DATE DUE OLA(857)
9201119	04/10/92	04/07/92	04/23/92	04/21/92

TITLE	MEMBERS NAME	REPLY FOR SIG OF
Congressman	Ralph Hall	ACS

CONSTITUENT'S NAME	SUBJECT
personal view	COMSAT international rule making

REF TO	REF TO	REF TO	REF TO
CCB	INTERN	TARF	

DATE	DATE	DATE	DATE
04/10/92	4/10/92	4/13/92	

REMARKS: COMSAT

Congress of the United States

House of Representatives

Washington, DC 20515

April 7, 1992

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APR 10 1992

LEGISLATIVE AFFAIRS
OCPA

The Honorable Alfred C. Sikes
Chairman
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

Dear Chairman Sikes:

I am writing to express my support for initiating a rulemaking on incentive-based regulation for switched-voice INTELSAT services, a position recently proposed in a petition filed by COMSAT. Since COMSAT remains the only fully rate regulated U.S. common carrier, a move allowing pricing flexibility would seem to be both prudent and consistent with current treatment of other international carriers. The regulatory relief sought in the petition holds the potential to allow COMSAT to operate on even footing with its competitors and bring further benefits to its many users.

Since the Commission's most recent consideration of COMSAT's regulatory status seven years ago, much has changed. For instance, the emergence of fiber optic undersea cables, as well as separate satellite systems, has greatly increased competition in the international communications marketplace.

The Commission has recently modified its regulatory treatment of other U.S. carriers by switching from a rate-based regulatory regime to an incentive-based system. In light of these developments, I share COMSAT's goal that their voice services be treated similarly, particularly since COMSAT exercises less market power than the very carriers to whom the FCC has extended this new regulatory approach.

Please reply to:

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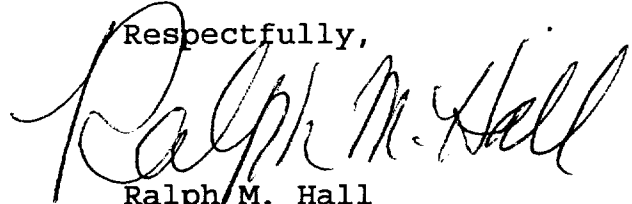
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Page Two -- The Honorable Alfred C. Sikes

COMSAT believes an incentive-based system will provide many benefits to their customers and the world at-large. I commend COMSAT's petition for a rulemaking and strongly urge the Commission to move forward with it. Please let me know if I can be of assistance in these efforts.

With best personal regards, I am

Respectfully,

A handwritten signature in cursive script that reads "Ralph M. Hall". The signature is written in dark ink and is positioned above the printed name and title.

Ralph M. Hall
Member of Congress

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